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ADMINISTRATIVE AND BUDGETARY MATTERS

Programme and programme support costs budget of the Environment Fund: revised estimates for the biennium 1994-1995

Management and administrative support costs budget of the Environment Fund: proposed budget for the biennium 1996-1997

Report of the Executive Director

Summary

Part one of the present report reviews the implementation of the approved programme and programme support costs (PPSC) budget for the biennium 1994-1995 as at 31 December 1994, and proposes revisions in the light of implementation up to that date. Part two describes the policy, methodology and definitions used by the Executive Director in formulating proposals for a redefined PPSC budget, to be known in future as the management and administrative support costs (MASC) budget. Part three sets out the proposals for the MASC budget in 1996-1997, with such explanations as seem appropriate.

Suggested action by the Governing Council

The Governing Council may wish to adopt a decision along the following lines:

* UNEP/GC.18/1.

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The Governing Council,

Recalling paragraph 4 of its decision 17/33 of 21 May 1993, by which it approved an initial appropriation of $41,829,500[1] for the programme and programme support costs budget for the biennium 1994-1995;

Further recalling its decision 17/41 of 21 May 1993 on the financial management and structure of the United Nations Environment Programme, including presentation of financial information and the budget of the United Nations Environment Programme;

Having considered and taken note of the performance report on the programme and programme support costs budget for the biennium 1994-1995 as well as the proposed management and administrative support costs budget for the biennium 1996-1997, as set out in the Executive Director's report[2], together with the related comments of the Advisory Committee on Administrative and Budgetary Questions,[3]

1. Takes note of the performance report on the programme and programme support costs budget for the biennium 1994-1995 and the related report of the Advisory Committee on Administrative and Budgetary Questions;

2. Notes that the Executive Director was able to contain the programme and programme support costs in 1994 within the limit established in paragraph 2 of Governing Council decision 12/19 of 28 May 1984 of 33 per cent of estimated contributions, and that the Executive Director will endeavour to do likewise in 1995;

3. Approves a revised appropriation of $41,048,900 for the programme and programme support costs budget for the biennium 1994-1995, with the revised distribution by programme and object of expenditure proposed by the Executive Director;

4. Approves a new budget format for a redefined programme and programme support costs budget to be known as the management and administrative support costs (MASC) budget in accordance with the definitions set out by the Executive Director;

5. Approves the redeployment in 1996-1997 of one assistant secretary-general's post, one P-3 post and one local-level post from the Fund Programme Management Branch to the Office of the Executive Director;

6. Approves the redeployment in 1996-1997 of one P-5, two P-3 and four local-level posts from the Clearing-house Unit in the Office of the Executive Director to the Fund Programme Branch;

7. Approves the transfer in 1996-1997 of all costs related to the programme of work of the Office of the Environment Programme, amounting to $7,001,100 in 1994-1995 in the current programme and programme support costs budget to the Fund programme activities budget, including 26 Professional posts as follows: four D-1, eight P-5, four P-4 and ten P-3 and 26 local-level posts;

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[1] In the present document, all references to dollars ($) are to United States dollars.

[2] UNEP/GC.18/32.

[3] UNEP/GC.18/L.1.

8. Approves the transfer in 1996-1997 of all administrative support posts from the Fund programme activities budget to the management and administrative support costs budget as follows:

(a) Administrative Service: one P-5, two P-4, and three local-level posts in the Management Information Systems unit;

(b) Conference Services: one P-5, 13 P-4, two P-2 and 36 local-level posts;

(c) Telecommunications and Electronic Services: one D-1, one P-5, one P-4, two P-3 and five local-level posts;

9. Approves for the biennium 1996-1997 the redeployment and transfer of one D-1, one P-5, one P-4, one P-3, one P-2 and four local-level posts from the Office of the Executive Director and one P-5, one P-4, one P-3 and three local-level posts from the former Programme Coordination Unit (PCU), which were funded under the Programme of work, for the staffing of a newly constituted Corporate Planning and Accountability Service (CPAS) resulting in total staffing financed by the management and administrative support costs budget for the new unit as follows: one D-1, two P-5, two P-4, two P-3, one P-2 and seven local-level posts;

10. Approves for the biennium 1996-1997 the upgrading of one P-3 post to P-4 level in the Regional Office for Europe;

11. Approves the establishment of one P-4 post and one secretarial support post in the Office of the Executive Director for the position of Ombudsman;

12. Approves an initial appropriation of $41,964,000 for the management and administrative support costs budget for the biennium 1996-1997, with the expenditure pattern by programme and object of expenditure proposed in those estimates;

13. Requests the Executive Director to administer the appropriation for the management and administrative support costs budget for the biennium 1996-1997 with the utmost economy and restraint consistent with the effective implementation of the environment programme, bearing in mind the availability of resources;

14. Further requests the Executive Director to report to the Governing Council at its nineteenth regular session on the implementation of the management and administrative support costs budget during the first year of the biennium 1996-1997.

Part One

IMPLEMENTATION UP TO 31 DECEMBER 1994 OF THE PROGRAMME AND PROGRAMME SUPPORT COSTS BUDGET FOR THE BIENNIUM 1994-1995 AND REVISED BUDGET ESTIMATES FOR THE SAME BIENNIUM

I. INTRODUCTION

1. The Governing Council, by its decision 17/33, paragraph 4, approved an initial appropriation of $41,829,500 for the programme and programme support costs (PPSC) budget for the biennium 1994-1995.

2. Expenditures for 1994 are estimated at $20,256,700. This represents 31.2 per cent of the estimated contributions of $65 million to the Environment Fund for the year 1994. The projected requirements for 1995 amount to $20,792,200. The revised estimated requirements for the biennium 1994-1995 therefore amount to $41,048,900.

II. EXCHANGE RATE FLUCTUATIONS AND INFLATION

3. A net reduction of $780,600 is foreseen against appropriations of $41,829,500 (see annex I, table 1). This reduction comprises gains due to exchange rate fluctuations ($3,269,500), as explained in paragraph 4 below, offset by higher rates of inflation than anticipated ($1,215,800, out of which $356,100 is accounted for by salary and common staff costs) and by other changes amounting to $1,273,200 as explained below in paragraphs 5-10. Tables 2 and 3 of annex I provide a breakdown of the net reduction by programme and object of expenditure while annex III indicates the rates of exchange and inflation used in preparing these estimates.

4. The depreciation of the Kenya shilling (K Sh) against the dollar is expected to result in savings of $3,246,800. The original budget estimates were based on an exchange rate of K Sh 35.70, whereas the average rate of exchange in 1994 was K Sh 57.81. In preparing the revised estimates for 1995, the December 1994 United Nations operational rate of exchange of K Sh 47 to the dollar was applied. A further gain of $22,700 is expected from exchange rate fluctuations in respect of regional offices. Therefore, the total gain resulting from exchange rate fluctuations is estimated at $3,269,500.

III. OTHER CHANGES

5. Increased requirements under established posts ($391,000) are due to lower than anticipated vacancy rates in 1994.

6. The projected increase under general operating expenses ($226,100) in liaison and regional offices is primarily due to increased needs for communication.

7. The estimated increase ($192,900) under communications at Nairobi headquarters results from greater use of communications facilities than anticipated.

8. The estimated decrease of costs under rental and maintenance of premises ($174,400) is a result of rent payment at Gigiri not being increased as expected after the expiration of the rent remission period mutually agreed between UNEP and the United Nations. No increase is anticipated until the agreement with United Nations Headquarters is reviewed.

9. The estimated increase ($248,400) under rental and maintenance of equipment is attributable mainly to an increase for data processing equipment with the vigorous computerization and office automation that has been carried out during the last bienniums.

10. The estimated increase under supplies and materials ($142,400) is due to increased requirements in the new office blocks.

Part Two

REFORMULATION OF THE PROGRAMME AND PROGRAMME SUPPORT COSTS BUDGET FOR THE BIENNIUM 1996-1997

I. INTRODUCTION

11. The cost of servicing the Governing Council and providing the part of the Secretariat which serves as a focal point for environmental matters within the United Nations system should, under the terms of the General Assembly resolution 2997 (XXVII), be borne by the regular budget of the United Nations. Other secretariat costs should be borne by the Environment Fund (referred to below as the "Fund"), under what has hitherto been termed the programme and programme support costs (PPSC) budget, whose format has been redefined and reformulated under what it is proposed should be known as the management and administrative support costs (MASC) budget. As from January 1996, the PPSC budget in its present form will cease to exist and will be replaced by the MASC budget. To regularize this change, the Executive Director will submit amendments to the Financial Rules and the general procedures governing the operations of the Fund to the Governing Council at its nineteenth session. In the meantime, the Governing Council is asked to agree that the Financial Rules and General Procedures of the Fund should continue to apply where incorporating the new nomenclature mutatis mutandis.

12. The costs financed under the United Nations regular budget will form part of the proposed programme budget for the biennium 1996-1997, to be submitted by the Secretary-General to the General Assembly at its forty-ninth session. Apart from inclusion of the current appropriation in a tabular presentation for the purpose of giving a global view in a unified budget document, the regular budget is not considered further in the present document.

13. In accordance with rule 210.3 of the Financial Rules of the Fund relating to the PPSC budget, the MASC budget estimates will be submitted to the Advisory Committee for Administrative and Budgetary Questions (ACABQ) for examination and comment. The report of ACABQ will be made available to the Council shortly before the eighteenth session.

II. GOVERNING COUNCIL DECISION 17/41

14. In its decision 17/41 of 21 May 1993 on the financial management and structure of UNEP, the Council requested the Executive Director:

"1. ... given the need to achieve greater transparency and comprehensibility in the budget format of the Programme, to take steps to revise the present format of the budgets in such a manner that a clear distinction is maintained between programme delivery and administrative overheads, as follows:

"(a) ...

"(b) An administrative and programme support costs budget that should include only those cross-cutting technical and administrative services that support all substantive subprogrammes;

"2. ... to ensure that future budget presentations of the United Nations Environment Programme be harmonized to contain in one document:

"(a) Information on actual expenditure against budgets of the previous years and bienniums, revised estimates against approved budgets of the current year and biennium and proposed budgets for the following years and bienniums;

"(b) Information on the Fund programme activities budget, the administrative and programme support costs budget and on all allocations from the regular budget of the United Nations to the United Nations Environment Programme;

"3. ...

"4. ... to provide definitions and rules for deciding what expenditure should be charged to which budget;

"5. ... to report to and consult with the Committee of Permanent Representatives on a regular basis on progress on implementation of the present decision;

"6. ... to submit the revised 1994-1995 and proposed 1996-1997 budgets of the United Nations Environment Programme to the Governing Council at its eighteenth session in the new format."

III. PROPOSALS FOR IMPLEMENTATION OF GOVERNING COUNCIL DECISION 17/41

15. With regard to paragraph 1 (b) of the decision, steps have already been taken to comply with this decision in the present document. The current PPSC budget has been reformulated to include only those cross-cutting technical and administrative services that support all substantive subprogrammes. For the purposes of this exercise, these are executive direction and management, and programme support.

16. Executive direction and management comprises the Office of the Executive Director, regional representation, the management of the Fund and the Corporate Planning and Accountability Service.

17. Programme support covers the Administrative Service, Conference Services, and Telecommunications and Electronic Services.

18. With regard to paragraph 2 of the decision, tables 1 and 2 of annex II contain information on actual expenditure against all budgets in 1992-1993, revised estimates against approved budgets for 1994-1995 and proposed budgets for 1996-1997.

19. Table 3 of annex II contains information on the Fund programme activities budget, the management and administrative support costs budget and current allocations to UNEP from the regular budget of the United Nations.

20. However, although the proposed MASC budget for 1996-1997 is being submitted in a revised format in the present document, the revised 1994-1995 PPSC budget is being submitted in the old format. It would be neither advisable nor practical to revise the format with an already approved appropriation for PPSC which has been implemented until now using the old format. By the time the Governing Council approves the new budget format, there will be less than seven months left in the current biennium. It is proposed that the new budget format should take effect starting with the MASC budget for the 1996-1997 biennium.

21. In response to paragraph 5 of decision 17/41, the Committee of Permanent Representatives has been regularly consulted on progress on implementation of the present decision.

IV. PROPOSALS FOR A REVISED BUDGET FORMAT

22. The presentation of the regular budget component as required by the General Assembly, follows the same format as that used in the proposed programme budget of the United Nations, submitted by the Secretary-General to the General Assembly. In accordance with rule 210.1 of the Financial Rules of UNEP, this report uses a similar format for the MASC budget. Therefore, in order to fulfil the requirements of decision 17/41 and also to continue to follow the format already used for presentations by the Secretary-General to the General Assembly, the rules and definitions described below are proposed. The format used is as follows:

(a) A United Nations regular budget component under section 12A of the Secretary-General's submission to the General Assembly which will comprise the actual expenditure for the previous biennium (1992-1993) as well as the current and revised allocations for 1994-1995, following the same format as currently used, divided into four main divisions as follows:

- Policy-making organs
- Executive direction and management:
  - Office of the Executive Director
  - Regional representation
  - UNSCEAR
- Programme of work
- Programme support
  - Conference Services
  - Administrative Service

(b) A UNEP management and administrative support costs (MASC) budget which will include all management functions that serve several or all subprogrammes, as well as costs of technical and administrative services that support all substantive subprogrammes. The MASC budget will comprise similar divisions relevant to the Environment Fund but excluding the programme of work component which will henceforth only be found in the Fund programme activities budget. The MASC budget will comprise the following divisions:

- Executive direction and management:
  - Office of the Executive Director
  - Regional representation
  - Management of the Fund
  - Corporate Planning and Accountability Service

- Programme support:

  Administrative Service

  Conference Services

  Telecommunications and Electronic Services

Both of the programmes under these divisions are funded by both the regular budget of the United Nations and the MASC budget, as can be seen from table 3 of annex II.

(c) A UNEP Fund programme activities budget which will comprise all programme delivery costs, principally in the form of projects under the:

- Programme of work

The programme of work budget is financed by contributions to the Environment Fund with a contribution to this budget also being received from the regular budget, as can be seen from table 3 in annex II.

23. Costs of planning, managing, implementing and supervising specific subprogrammes and their related projects will be included under this heading in the unified budget document. The present practice of funding some programme activities from the PPSC budget will be discontinued with effect from 1 January 1996.

V. METHODOLOGY USED IN PREPARING THE BUDGET ESTIMATES

24. In order to conform to changes introduced in respect of the United Nations regular budget, changes have also been introduced into the methodology used in the preparation and presentation of the budget compared with that used hitherto. Non-recurrent items are no longer taken into account in the revaluation of the resource base and the calculation of growth. Growth is expressed in prices assumed in the two years of the current budget (rather than at second-year prices) and includes both recurrent and non-recurrent provisions. Under the new methodology, all posts are costed at uniform rates. Provisions for new posts, if any, are now made at the same rates as for continuing posts and no longer on a partial basis. Growth is the difference between estimated requirements for the next biennium (at the costs of the current biennium) and the revised appropriation for the current biennium.

Part Three

PROPOSED MANAGEMENT AND ADMINISTRATIVE SUPPORT COSTS (MASC) BUDGET 1996-1997

I. INTRODUCTION

25. The proposed MASC budget for 1996-1997 contains the following significant changes from the PPSC budget approved for 1994-1995:

(a) Transfer of the programme of work component from the PPSC budget to the Fund programme activities budget following the new budget format, which will henceforth be known as the management and administrative support costs (MASC) budget, as explained in paragraphs 14 to 23 above;

(b) Transfer of all cross-cutting and administrative services that support substantive programmes from the Fund programme activities budget to the MASC budget;

26. The costing of posts is based on the assumption that, on average 9 per cent of the posts at Professional level and 0.8 per cent of those at local-level would be vacant during the biennium.

27. The proposed appropriation for the MASC budget in 1996-1997 amounts to $41,964,000.

II. BUDGET PROPOSALS FOR 1996-1997

28. Taking into account the redefinition and reformulation of the former PPSC budget described in part two of the present report, the proposed MASC budget for 1996-1997 contains the following main changes compared with the PPSC appropriation approved for the biennium 1994-1995:

(a) A reduction of $7,001,100 under programme of work, due to transfer of this programme to the Fund programme activities budget, following the new budget format as described in paragraphs 14 to 24 above;

(b) A positive growth of $3,603,000 under Conference Services, due to the transfer of 16 Professional and 36 local-level posts from the Fund programme activities budget to the MASC budget;

(c) A net negative growth of $1,543,900 or 11.2 per cent under Administrative Service. A transfer of three Professional and three local-level posts from the Fund programme activities budget to the MASC budget is more than offset by a reduction of staff in the Administrative Service, caused by the proposed common administration with the United Nations Centre for Human Settlements (UNCHS) (Habitat) and United Nations Common Services, effective 1 January 1996: i.e. five Professional and 10 local-level posts, as well as reductions in other non-post items;

(d) A positive growth of $1,903,400 under the Corporate Planning and Accountability Service (CPAS), due to redeployment of eight Professional and seven local-level posts to this newly established office, as described in paragraph 37 below;

(e) A reduction $100,400, or 1.4 per cent, under general operating expenses, out of which $11,300 are attributable to regional offices, while the balance results from expected gains in efficiency under the common administration;

(f) A positive growth of $974,900 under Telecommunications and Electronic Services (TES), due to the redeployment from Fund programme activities of five professional and five local-level posts to this newly reconstituted information technology service.

III. PROPOSED LEVEL OF APPROPRIATION FOR THE MASC BUDGET

29. On the basis of the changes outlined above, the appropriation proposed for the MASC budget for the biennium 1996-1997 amounts to $41,964,000, representing an increase of $915,100, or 2.23 per cent, compared with the revised estimates for PPSC for the biennium 1994-1995 totalling $41,048,900 (see annex I, tables 1 and 4). An analysis of the changes by programme is given in table 4 of annex I, and by object of expenditure in table 5.

30. The requirements for 1996-1997 compared with the revised estimates for PPSC in 1994-1995, are set out in annex I to the present report. Overall, the net changes may be regarded as comprising a negative resource growth of $3,714,400 (or 9.0 per cent) and a net increase of $4,629,500 due to recosting of the estimates, which means that there is very little change in dollar terms.

IV. REVIEW OF PROPOSALS BY PROGRAMME

A. Executive direction and management

31. Executive direction and management comprises four programmes set out in paragraphs 16 and 22 above. The costs of these programmes are summarized in table 4, while the existing and proposed staffing are given in table 6.

Office of the Executive Director (OED)

32. OED is responsible for policy matters requiring the attention of the Executive Director and for ensuring a proper flow of information between the Executive Director and various offices. A negative growth of $1,583,900 is foreseen under this programme, due to redeployment from OED of one D-1, one P-5, one P-4, one P-3, one P-2 and four local-level posts and consultants to the newly created Corporate Planning and Accountability Service (CPAS); and a redeployment from OED of one P-5, two P-3 and four local-level posts in the Clearing-house Unit to Fund Management Branch, offset in part by a redeployment to OED of one ASG, one P-3 and one local-level post from Fund Management Branch, as well as by the creation of one P-4 and one secretarial support post for the Ombudsman Unit within OED.

33. Ombudsman Unit: The Executive Director established for an 18-month trial period a one-person unit to provide an Ombudsman to whom staff could refer. In the light of that experience, the Executive Director would now like to establish within her office a new post at P-4 level plus one secretarial support post at local level to continue this function through the next biennium. The trial has demonstrated the value of mediation in workplace disputes, investigations into alleged malpractices, and a source of advice for staff members on their rights. The availability of such an office has considerably reduced the time spent on this type of work by other offices, including OED, and has thus released staff to concentrate on their substantive duties.

Regional representation

34. This programme comprises that part of regional activities that are not included in the regular budget and are carried out by the Regional Office for North America (RONA) in New York and the Regional Office for Europe (ROE) in Geneva, together with all activities of the other UNEP regional offices in Bangkok, Manama, Mexico City and Nairobi.

35. The regional offices represent UNEP and the Executive Director in their respective regions, foster and promote the goals and targets of UNEP and maintain liaison and cooperation with government authorities, public and private institutions and organized groups of individuals at all levels. The offices ensure coordination with the United Nations, including its regional commissions, on all matters of common interest. A negative resource growth of $94,845 is foreseen under the following objects: general temporary assistance $60,945; general operating expenses $11,276; furniture and equipment $22,624. This amount will be reduced, in part, by a minimal resource growth of $21,400 due to a request to upgrade one P-3 post to the P-4 level in the Regional Office for Europe, without increasing the number of posts already approved for this programme, a resource growth under "representation allowance" ($1,200) and under "supplies and materials" ($20,504). The net amount under regional representation is therefore a negative growth of $51,741.

Management of the Fund

36. The Fund management programme administers the Environment Fund and the various trust funds. The programme is financed entirely from the MASC budget. A negative resource growth of $15,100 is foreseen for this programme after a redeployment of one ASG, one P-3 and one local-level post to OED to provide resources for the Deputy Executive Director's office, being offset in part by the redeployment from OED to this office of one P-5, two P-3 and four local-level posts belonging to the Clearing-house Unit, which is now attached to this office. The ASG post was previously used for the Assistant Executive Director for Fund and Administration, who had also assumed the functions of the Deputy Executive Director after the abolition of the Deputy Executive Director post by the United Nations regular budget managers.

Corporate Planning and Accountability Service (CPAS)

37. In 1994, the Executive Director set up a new section in her own office to which she has given the title Corporate Planning and Accountability Service (CPAS). She did this in response to the General Assembly's request to the Secretary-General that he establish, not later than 1 January 1995, a transparent and effective system of accountability and responsibility. CPAS will deal with strategic planning and programming; accountability; monitoring; reporting; and project design, evaluation and system development.

38. The Executive Director has established CPAS without a need to create new posts by bringing together existing units in-house i.e. Programme Coordination Unit (three Professional and three local-level posts) formerly in the Office of the Programme, and the Follow-up and Evaluation Unit, and including some other functions existing in OED. In total, CPAS consists of 18 (nine Professional and nine local-level) posts, of which one Professional and two local-level posts are financed from the regular budget. Thus, eight Professional and seven local-level posts are financed under the MASC budget.

39. A resource growth of $1,903,400 is foreseen under this programme to cover the cost of eight Professional (one D-1, two P-5, two P-4, two P-3, one P-2/1) and seven local-level posts ($1,502,300) redeployed from OED and programme; general temporary assistance ($20,000); overtime ($1,100); consultants ($200,000); official travel ($90,000) and equipment ($90,000).

B. Programme of work: the environment programme

40. Under the new budget format described in paragraphs 14 to 24 above, this programme is being transferred to the Fund programme activities. Twenty-six Professional and 26 local-level posts have been transferred to the programme of work budget. Out of these 52 posts, the Governing Council is requested to approve the redeployment to CPAS of three Professional and three local-level posts which used to belong to the previous Programme Coordination Unit (now under CPAS). A negative growth of $7,001,100 is foreseen under this programme. A programme of work component will no longer appear under the MASC budget.

C. Programme support

Conference Services

41. The Conference Services programme has traditionally been carried out by Conference and Governing Council Services (CGCS), which reported to the Deputy Executive Director. The supervision of the programme has now changed since it has been divided into two separate sections. Henceforth, the Governing Council secretariat will report directly to the Executive Director, while the

Conference Services portion, together with the Administrative Service, will fall under the common administration of the United Nations Office at Nairobi (UNON). The functions of the Conference Services are:

- To coordinate the provision of conference services to the two secretariats;

- To exercise editorial control over documents and to the extent that resources allow, provide conference services directly, including interpretation, translation and other documentation services, for UNEP and UNCHS (Habitat) conferences and meetings held at Nairobi and elsewhere;

- To ensure the reproduction and distribution of UNEP and UNCHS (Habitat) documents and publications.

42. A resource growth of $3,603,000 is foreseen and is proposed for 16 Professional and 36 local-level posts. However, it should be noted that, although these posts were reflected under the programme of work in the biennium 1994-1995, they will be available for Common Administration, and were taken into account when determining the staffing table for UNON.

Administrative Service

43. The Administrative Service is responsible for the provision of the necessary timely and efficient response to the needs of the whole organization in order to ensure timely and efficient delivery of its mandated programmes. It comprises the following units: Office of the Chief; Administrative Service; Human Resources Management Service (HRMS); Financial Resources Management Service (FRMS); Support Service; Office Automation and Electronic Data Processing (EDP), and Management Information Systems (MIS). Following the recent restructuring of the United Nations Secretariat, UNON will be created by a merger of the UNEP and UNCHS (Habitat) administrations together with that of the existing common services unit (UNCS) to form a common administration, which will be fully operational effective 1 January 1996.

44. The requirements explained below have taken into account this new development and, therefore, represent only that part of the common administration that will be financed from UNEP's extra-budgetary resources.

Requirements

45. A net negative growth of $1,543,900 is foreseen under this programme due to gains in efficiency expected to accrue as a result of common administration with UNCHS (Habitat) and UNCS, partly reduced by the cost of transferring three Professional and three local-level posts from the programme of work budget to the MASC budget, in line with the new budget format. The gains (net of cost of transferred posts) are expected under salary and common staff costs ($330,500); general temporary assistance ($17,000); overtime ($30,000); travel ($57,300); general operating expenses ($89,100); supplies and materials ($220,000); and furniture and equipment ($780,000). A reduction of $20,000 is also proposed under fellowships, grants and contributions.

46. The posts proposed for transfer from programme to the Administrative Service comprise one P-5, two P-4 and three local-level posts.

47. The Administrative Service requires a total budget of $14,768,100, made up as follows:

PROPOSED ADMINISTRATION BUDGET 1996-1997
(Thousands of dollars)

Salaries of established posts	2,674.3
General temporary assistance	217.4
Consultants	76.1
Overtime	176.8
Common staff costs	1,603.9
Subtotal	4,748.5
Travel	49.7
Contractual services	842.0
Rental and maintenance of premises	1,984.1
Rental and maintenance of equipment	959.6
Communications	2,693.9
Hospitality	21.9
Miscellaneous services	239.7
Supplies and materials	1,595.3
Furniture and equipment	1,418.2
Other	215.2
Grand total	14,768.1

Telecommunications and Electronic Services (TES)

48. The Telecommunications and Electronic Services (TES) section of UNEP was recently established to enable UNEP to utilize modern information technology to fulfil its mission. TES will aim to minimize and eliminate many of the bottlenecks restricting effective communications between sections of UNEP and between UNEP as a whole and its external partners and audiences, including Governments. During the period 1995-1997, TES will establish a single global corporate network information system for UNEP, "UNEPnet", which will link all staff in UNEP offices and interface with the global Internet facility and supervise the establishment of the Mercure system.

49. A resource growth of $974,900 at current biennium price levels is foreseen under this programme due to a redeployment to this office of one D-1, one P-5, one P-4, two P-3 and five local-level posts from the Fund programme activities budget.

Annex I

Table 1

Biennium 1994-1995 and 1996-1997: summary of PPSC/MASC budgetary appropriations

(Thousands of dollars)

A. PPSC: revised estimates for 1994-1995

Appropriation	Estimated additional requirements				Total revised appropriation 1994-1995
	Inflation	Exchange fluctuations	Other changes	Total	
41,829.5	**1,215.7**	**(3,269.5)**	**1,273.2**	**(780.6)**	**41,048.9**

B. MASC: proposed budget for 1996-1997

1994-1995 Revised appropriation	Estimated additional requirements				Proposed 1996-1997 estimates
	Resource growth	Rate of growth %	Total before recosting	Recosting	
41,048.9	**(3,714.4)**	**-9.0%**	**37,334.5**	**4,629.5**	**41,964.0**

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Table 2

Biennium 1994-1995: revised estimates

Impact of factors leading to revised estimates by programme

(Thousands of dollars)

Programme	Appropriation 1994-1995	Rate of exchange	Unanticipated inflation	Other changes	Net increase (decrease) requirements	Revised appropriation 1994-1995
A. Executive direction and management						
1. Office of the Executive Director	5,533.3	(396.3)	(21.3)	707.0	289.4	5,822.7
2. Regional representation	9,634.9	(22.7)	(37.0)	(355.9)	(415.6)	9,219.3
3. Management of the Fund	3,611.6	(329.5)	(29.0)	401.7	43.2	3,654.8
Subtotal, executive direction and management	**18,779.8**	**(748.5)**	**(87.3)**	**752.8**	**(83.0)**	**18,696.8**
B. Programme of work	**6,862.4**	**(589.0)**	**(19.5)**	**747.2**	**138.7**	**7,001.1**
C. Programme support:						
1. Conference services	1,776.0	(165.0)	95.0	(93.0)	(163.0)	1,613.0
2. Administrative Service	14,411.3	(1,767.0)	1,227.5	(133.8)	(673.3)	13,738.0
Subtotal, programme support	**16,187.3**	**(1,932.0)**	**1,322.5**	**(226.8)**	**(836.3)**	**15,351.0**
Total	**41,829.5**	**(3,269.5)**	**1,215.7**	**1,273.2**	**(780.6)**	**41,048.9**

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Annex I

Table 3

Biennium 1994-1995: Revised estimates

Impact of factors leading to increases (decreases) by object of expenditure

(Thousands of dollars)

	Appropriation 1994-1995	Exchange rate fluctuations	unanticipated inflation	Other changes	Net increase (decrease) in requirements	Revised Appropriation 1994-1995
Salaries						
010 Established posts	16,074.8	(1,129.8)	123.1	391.0	(615.7)	15,459.1
030 General temporary assistance	956.4	(73.4)	6.4	(18.7)	(85.7)	870.7
040 Consultants	1,660.3	(51.4)	0.0	68.5	17.1	1,677.4
050 Overtime	223.5	(45.7)	13.2	37.6	5.1	228.6
Subtotal salaries	**18,915.0**	**(1,300.3)**	**142.7**	**478.4**	**(679.2)**	**18,235.8**
Common staff costs						
100 Other common Staff Costs	9,039.4	(680.7)	233.0	(63.7)	(511.4)	8,528.0
113 Representation allowances	14.4	-	-	(4.2)	(4.2)	10.2
Subtotal common staff costs	**9,053.8**	**(680.7)**	**233.0**	**(67.9)**	**(515.6)**	**8,538.2**
240 Travel on official business	2,210.1	(47.6)	-	159.0	111.4	2,321.5
300 Contractual services	620.9	(50.3)	59.0	(8.8)	(0.1)	620.8
General operating expenses						
400 General operating expenses of liaison and regional offices	1,751.4	9.9	(37.4)	226.1	198.6	1,950.0
Nairobi headquarters:						
410 Rental and maintenance of premises	1,834.7	-	174.4	(174.4)	-	1,834.7
430 Rental and maintenance of equipment	869.1	(269.1)	82.6	248.4	61.9	931.0
440 Communications	2,125.8	(395.0)	202.1	192.9	-	2,125.8
450 Hospitality	16.3	(4.5)	1.5	3.0	-	16.3
490 Miscellaneous services	141.8	(26.3)	13.5	55.5	42.7	184.5
Subtotal general operating expenses	**6,739.1**	**(685.0)**	**436.7**	**551.5**	**303.2**	**7,042.3**
500 Supplies and Materials	1,912.6	(322.9)	162.0	142.4	(18.5)	1,894.1
600 Furniture and equipment	2,194.5	(182.6)	182.4	0.2	-	2,194.5
700 New premises (including additions)	11.2	-	-	1.8	1.8	13.0
800 Fellowships, grants and contributions	172.3	-	-	16.4	16.4	188.7
TOTAL	**41,829.5**	**(3,269.4)**	**1,215.8**	**1,273.0**	**(780.6)**	**41,048.9**

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Table 4

Biennium 1996-1997: Proposed budget

Analysis of additional requirements by programme
(Thousands of dollars)

Programme/Service	1994-1995 appropriation		Additional requirements for 1996-1997			increase (decrease)	1996-1997 Estimates
	Approved	Revised	Resource growth	Rate of growth	Recosting		
A. Executive direction and management							
1. Office of the Executive Director	5,533.3	5,822.7	(1,583.9)	**-27.2%**	256.5	(1,327.4)	4,495.3
2. Regional representation	9,634.9	9,219.3	(51.7)	**-0.6%**	1,033.1	981.4	10,200.7
3. Management of the Fund	3,611.6	3,654.8	(15.1)	**-0.4%**	139.7	124.6	3,779.4
4. Corporate Planning and Accountability Service	-	-	1,903.4	-	228.5	2,131.9	2,131.9
Subtotal, executive direction and management	**18,779.8**	**18,696.8**	**252.7**	**1.4%**	**1,657.8**	**1,910.5**	**20,607.3**
B. Programme of work: environment programme	**6,862.4**	**7,001.1**	**(7,001.1)**	**-100.0%**	**-**	**(7,001.1)**	**-**
C. Programme support							
1. Conference services*	1,776.0	1,613.0	3,603.0	**223.4%**	251.5	3,854.5	5,467.5
2. Administrative Service*	14,411.3	13,738.0	(1,543.9)	**-11.2%**	2,574.0	1,030.1	14,768.1
3. Telecommunications and Electronic Services	-	-	974.9	-	146.2	1,121.1	1,121.1
Subtotal, programme support	**16,187.3**	**15,351.0**	**3,034.0**	**19.8%**	**2,971.7**	**6,005.7**	**21,356.7**
Total	**41,829.5**	**41,048.9**	**(3,714.4)**	**-9.0%**	**4,629.5**	**915.1**	**41,964.0**

* Under United Nations Office at Nairobi common administration in 1996-1997 biennium.

Table 5

Biennium 1996-1997: Proposed budget

Analysis of additional requirements by object of expenditure

(Thousands of dollars)

Object of expenditure	1994-1995 appropriation		Additional requirements for 1996-1997				Proposed 1996-1997 estimates
	Approved	Proposed revised	Resource growth	Rate of growth	Recosting	Total increase (decrease)	
Salaries							
010 Established posts	16,074.8	15,459.1	(819.8)	-5.3%	1,470.8	651.0	16,110.1
030 General temporary assistance	956.4	870.7	(57.9)	-6.6%	145.7	87.8	958.5
040 Consultants	1,660.3	1,677.4	(502.3)	-29.9%	77.5	(424.8)	1,252.6
050 Overtime	223.5	228.6	1.1	0.5%	63.1	64.2	292.8
Subtotal, salaries	**18,915.0**	**18,235.8**	**(1,378.9)**	**-7.6%**	**1,757.1**	**378.2**	**18,614.0**
100 Common staff costs	9,053.8	8,538.2	(615.5)	-7.2%	835.8	220.3	8,758.5
240 Travel on official business	2,210.1	2,321.5	(471.9)	-20.3%	129.3	(342.6)	1,978.9
300 Contractual services	620.9	620.8	-	-	221.1	221.1	841.9
General operating expenses							
400 General operating expenses of regional offices	1,751.4	1,950.0	(11.3)	-0.6%	203.1	191.8	2,141.8
Nairobi headquarters:							
410 Rental and maintenance of premises	1,834.7	1,834.7	-	-	149.4	149.4	1,984.1
430 Rental and maintenance of equipment	869.1	931.0	(264.5)	-28.4%	293.1	28.6	959.6
440 Communications	2,125.8	2,125.8	172.8	8.1%	395.3	568.1	2,693.9
450 Hospitality	16.3	16.3	2.6	16.0%	3.0	5.6	21.9
490 Miscellaneous services	141.8	184.5	-	-	55.3	55.3	239.8
Subtotal, general operating expenses	**6,739.1**	**7,042.3**	**(100.4)**	**-1.4%**	**1,099.2**	**998.8**	**8,041.1**
500 Supplies and materials	1,912.6	1,894.1	(415.1)	-21.9%	302.7	(112.4)	1,781.7
600 Furniture and equipment	2,194.5	2,194.5	(712.6)	-32.5%	250.9	(461.7)	1,732.8
700 New premises (including additions)	11.2	13.0	-	-	4.2	4.2	17.2
800 Fellowships, grants and contributions	172.3	188.7	(20.0)	-10.6%	29.2	9.2	197.9
TOTAL	**41,829.5**	**41,048.9**	**(3,714.4)**	**-9.0%**	**4,629.5**	**915.1**	**41,964.0**

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Table 6

SUMMARY OF 1996-1997 ADDITIONAL POST REQUIREMENTS

Level/grade/	PPSC Approved staffings table 1994-1995	Proposed additional post requirements by programme								Net additional post requirements increase (decrease)	MASC Proposed staffing table 1996-1997
		Office of Executive Director	Regional representation	Fund management	Corporate Planning	Environment programme	Conference Services	Administrative Service	Telecommunications and Electrical Service		
Professional and higher categories											
ASG	1	1	-	-1	-	-	-	-	-	-	1
D-2	7	-	-	-	-	-	-	-	-	-	7
D-1	8	-1	-	-	1	-4	-	-	1	-3	5
P-5	17	-2	-	1	2	-8	1	1	1	-4	13
P-4	20	-	1	-	2	-4	13	-	1	13	33
P-3	33	-2	-1	1	2	-10	-	-2	2	-10	23
P-2/1	8	-1	-	-	1	-	2	-1	-	1	9
Total	94	-5	-	1	8	-26	16	-2	5	-3	91
Other categories Local level	201	-6	-	3	7	-26	36	-8	5	11	212
GRAND TOTAL	295	-11	-	4	15	-52	52	-10	10	8	303

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Annex II

Table 1

COMPARISON OF APPROVED, REVISED, ACTUAL AND PROPOSED EXPENDITURES FOR 1992-1993, 1994-1995 AND 1996-1997

	MANAGEMENT & ADMINISTRATIVE SUPPORT COSTS (MASC) BUDGET (FORMERLY PPSC BUDGET)				
	1992-1993		1994-1995		1996-1997
	APPROVED	ACTUAL	APPROVED	REVISED	PROPOSED
	1	2	3	4	5
B. Executive Direction and Management					
1. Office of the Executive Director	4,875.7	4,447.6	5,533.3	5,822.7	4,495.3
2. Regional Represenation	8,151.4	7,250.6	9,634.9	9,219.3	10,200.7
3. Management of the Fund	2,977.6	2,579.2	3,611.6	3,654.8	3,779.4
4. Corporate Planning and Accountability Service	-	-	-	-	2,131.9
Sub-total	**16,004.7**	**14,277.4**	**18,779.8**	**18,696.8**	**20,607.3**
C. Programme of Work	6,078.6	5,127.4	6,862.4	7,001.1	-
D. Programme Support					
1. Conference services	1,596.1	1,355.5	1,776.0	1,613.0	5,467.5
2. Administrative Service	14,139.2	13,400.3	14,411.3	13,738.0	14,768.1
3. Telecommunication and Electronic Services	-	-	-	-	1,121.1
Sub-total	**15,735.3**	**14,755.8**	**16,187.3**	**15,351.0**	**21,356.7**
Grand Total	**37,818.6**	**34,160.6**	**41,829.5**	**41,048.9**	**41,964.0**

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Annex II

Table 2

COMPARISON OF APPROVED, REVISED, ACTUAL AND PROPOSED EXPENDITURES FOR 1992-1993, 1994-1995 AND 1996-1997

(Thousands of dollars)

Objects of expenditure	Management and administrative support costs (MASC) budget (formerly PPSC budget)				
	1992-1993		1994-1995		1996-1997
	Approved	Actual	Approved	Revised	Proposed
Salaries	1	2	3	4	5
010 Established posts	13,471.6	12,024.5	16,074.8	15,459.1	16,110.1
030 General temporary assistance	770.1	775.8	956.4	870.7	958.5
040 Consultants	1,775.6	1,311.9	1,660.3	1,677.4	1,252.6
050 Overtime	184.9	154.0	223.5	228.6	292.8
060 Ad hoc expert groups	389.0	81.8	-	-	-
Subtotal, salaries	16,591.2	14,348.0	18,915.0	18,235.8	18,614.0
100 Common staff costs	7,356.1	6,149.9	9,053.8	8,538.2	8,758.5
240 Travel on official business	2,004.2	1,996.0	2,210.1	2,321.5	1,978.9
300 Contractual services	249.8	241.2	620.9	620.8	841.9
General operating expenses					
400 General operating expenses of regional offices	1,629.6	1,690.3	1,751.4	1,950.0	2,141.8
Nairobi headquarters:					
410 Rental and maintenance of premises	95.8	125.9	1,834.7	1,834.7	1,984.1
430 Rental and maintenance of equipment	698.7	664.7	869.1	931.0	959.6
440 Communications	1,704.5	1,608.5	2,125.8	2,125.8	2,693.9
450 Hospitality	13.1	18.5	16.3	16.3	21.9
490 Miscellaneous services	121.0	164.6	141.8	184.5	239.8
Subtotal, general operating expenses	4,262.7	4,262.5	6,739.1	7,042.3	8,041.1
500 Supplies and materials	1,539.4	1,448.6	1,912.6	1,894.1	1,781.7
600 Furniture and equipment	2,177.7	2,098.4	2,194.5	2,194.5	1,732.8
700 New premises (including additions)	3,499.3	3,491.9	11.2	13.0	17.2
800 Fellowships, grants and contributions	138.2	124.1	172.3	188.7	197.9
TOTAL	37,818.6	34,160.6	41,829.5	41,048.9	41,964.0

Annex II

Table 3

PROPOSED UTILIZATION OF RESOURCES OF THE ENVIRONMENT FUND AND ESTIMATED CONTRIBUTIONS OF THE UNITED NATIONS REGULAR BUDGET 1996-1997 AND THE CORRESPONDING AMOUNTS FOR THE BIENNIUM 1994-1995
(Thousands of dollars)

	United Nations regular budget*		Environment Fund						Total	
			Management and administrative support costs budget (MASC)		Fund programme activities budget		Subtotal			
	1	2	3	4	5	6	(3+5=7)	(4+6=8)	(1+7=9)	(2+8=10)
	1994-1995	1996-1997	1994-1995	1996-1997	1994-1995	1996-1997	1994-1995	1996-1997	1994-1995	1996-1997
A. Policy-making organs	1,791.6	1,791.6	-	-	-	-	-	-	1,791.6	1,791.6
B. Executive direction and management										
1. Office of the Executive Director	1,854.6	1,854.6	5,822.7	4,495.3			5,822.7	4,495.3	7,677.3	6,349.9
2. Regional representation	1,457.7	1,457.7	9,219.3	10,200.7			9,219.3	10,200.7	10,677.0	11,658.4
3. Management of the Fund			3,654.8	3,779.4			3,654.8	3,779.4	3,654.8	3,779.4
4. Corporate Planning and Accountability Service	-	-	-	2,131.9			-	2,131.9	-	2,131.9
5. UNSCEAR	891.6	891.6	-	-			-	-	891.6	891.6
Subtotal	4,203.9	4,203.9	18,696.8	20,607.3	0.0	0.0	18,696.8	20,607.3	22,900.7	24,811.2
C. Programme of work	3,631.2	3,631.2	7,001.1	-	120,000.0		127,001.1	0.0	130,632.3	3,631.2
1. Sustainable management and use of natural resources						35,700.0	-	35,700.0	-	35,700.0
2. Sustainable production and consumption						14,400.0	-	14,400.0	-	14,400.0
3. A better environment for human health and well-being						12,200.0	-	12,200.0	-	12,200.0
4. Globalization and the environment						15,400.0	-	15,400.0	-	15,400.0
5. Global and regional servicing and support						27,300.0	-	27,300.0	-	27,300.0
Subtotal	3,631.2	3,631.2	7,001.1	-	120,000.0	105,000.0	127,001.1	105,000.0	130,632.3	108,631.2
D. Programme Support										
1. Conference services	2,166.5	2,166.5	1,613.0	5,467.5			1,613.0	5,467.5	3,779.5	7,634.0
2. Administrative Service	2,420.2	2,420.2	13,738.0	14,768.1			13,738.0	14,768.1	16,158.2	17,188.3
3. Telecommunication and Electronic Services	-	-	-	1,121.1	-	-	-	1,121.1	-	1,121.1
Subtotal	4,586.7	4,586.7	15,351.0	21,356.7	0.0	0.0	15,351.0	21,356.7	19,937.7	25,943.4
E. Fund programme reserve	-	-	-	-	5,000.0	5,000.0	5,000.0	5,000.0	5,000.0	5,000.0
Grand total	14,213.4	14,213.4	41,048.9	41,964.0	125,000.0	110,000.0	166,048.9	151,964.0	180,262.3	166,177.4

* Estimates based on issued allotments for 1994-1995.

Annex III

RATES OF EXCHANGE, RATES OF INFLATION USED IN PREPARING THE INITIAL AND THE PROPOSED MANAGEMENT AND ADMINISTRATIVE SUPPORT COSTS BUDGETS FOR THE BIENNIUMS 1994-1995 AND 1996-1997

Duty station (currency)	Rates of exchange to the dollar				Average annual rates of inflation (percentage)			
	1994-1995 original assumptions	1994-1995 revised appropriation		1996-1997 initial estimates	1994-1995 original assumptions	1994-1995 revised appropriation		1996-1997 initial estimates
		1994 a/	1995 b/			1994 c/	1995 c/	
New York (United States dollars)					3.7	2.4	2.4	2.4
Geneva (Swiss francs)	1.44	1.37	1.32	1.32	3.4	1.6	1.6	1.6
Bangkok (baht)	25.30	25.15	25.00	25.00	5.0	5.8	5.8	5.8
Mexico City (Mexican pesos) d/	3.10	3.00	3.35	3.35	17.1	7.1	7.1	7.1
Nairobi (Kenya shillings)	35.70	57.81	47.00	47.00	15.0	42.0	10.0	10.0
Bahrain (Bahrain dinars)	0.376	0.376	0.376	0.376	9.9	5.0	5.0	5.0

a/ January-December 1994 average

b/ Actual December 1994 operational rates of exchange

c/ Applicable to objects of expenditure other than salaries of established posts and common staff costs.

d/ 1 US dollar equals 3.35 new pesos